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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 APR 23 P 2:08

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

APR 23 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES, LLC, DBA JOHNSON
UTILITIES COMPANY, FOR APPROVAL OF
SALE AND TRANSFER OF ASSETS AND
CONDITIONAL CANCELLATION OF ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. WS-02987A-13-0477

PROCEDURAL ORDER
(Sets Procedural Conference)

BY THE COMMISSION:

On December 31, 2013, Johnson Utilities, LLC, dba Johnson Utilities Company ("Johnson Utilities" or "Company") filed with the Arizona Corporation Commission ("Commission") the above-captioned application. The application requests approval of the sale and transfer of all of the Company's utility assets and operations in Pinal County, Arizona to the Town of Florence ("Town"), and the cancellation and extinguishment of its Certificate of Convenience and Necessity ("CC&N").

Intervention has been granted to Swing First Golf LLC ("Swing First"), the Residential Utility Consumer Office ("RUCO"), Pulte Home Corporation, the Town, San Tan Heights Homeowners Association, Karen Christian, Todd J. Hubbard, Alden L. Weight, and Steve Pratt.

On March 4, 2014, the Commission's Utilities Division ("Staff") filed a Letter of Sufficiency indicating that the application and information provided to Staff was sufficient for Staff to begin its substantive review of the application.

On March 14, 2014, following a procedural conference held on March 13, 2014, a Procedural Order was issued setting a hearing date and associated procedural deadlines agreed to by the parties.

On March 18, 2014, a Procedural Order was issued changing the date of the pre-hearing conference set in the March 14, 2014, Procedural Order.

On March 24, 2014, Commissioner Bitter Smith filed a letter requesting responses from the parties by April 3, 2014.

1 On March 28, 2014, Johnson Utilities filed an Affidavit of Mailing Public Notice and an
2 Affidavit of Publication.

3 On March 28, 2014, Johnson Utilities filed Direct Testimony of its witness Daniel Hodges.

4 On April 2, 2014, the Town filed an Application for Leave to Intervene.

5 On April 3, 2014, responses to Commissioner Bitter Smith's March 24, 2014 letter were filed
6 by Johnson Utilities, RUCO and Staff.

7 On April 3, 2014, the Town filed a motion requesting an extension of time to April 15, 2014
8 for the Town to file Direct Testimony.

9 On April 3, 2014, Swing First filed a Motion to Suspend Procedural Schedule and Continue
10 Hearing, requesting that the procedural schedule in this matter be suspended indefinitely until the
11 Town has filed written Direct Testimony and has provided the Commission and all parties a copy of
12 an asset purchase agreement.¹

13 On April 4, 2014, a Procedural Order was issued granting intervention to the Town. The
14 Procedural Order also modified the procedural schedule to allow extra time for the Town to file
15 Direct Testimony, established shortened discovery response times, and provided an extension of time
16 for Staff and intervenors to file their Direct Testimony in response to the Company's and the Town's
17 testimony. The Procedural Order directed that the Town's Direct Testimony include as an exhibit a
18 fully executed asset purchase agreement that specifies the terms of the proposed asset purchase.

19 On April 4, 2014, RUCO filed a response opposing Swing First's Motion to Suspend
20 Procedural Schedule and Continue Hearing.

21 On April 9, 2014, a Staff memorandum was docketed that includes copies of maps of Johnson
22 Utilities' service territory.

23 On April 8, 2014, three customer comments in opposition to the application were docketed.

24 On April 9, 2014, the Town filed the Direct Testimony of its witness Charles A. Montoya,
25 which included as an exhibit the same February 2014 draft asset purchase agreement as that attached
26 to the Direct Testimony of the Company's witness Daniel Hodges.

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28 ¹ It must be presumed that by "asset purchase agreement" Swing First was referring to a fully executed asset purchase agreement. A draft asset purchase agreement was attached to the March 28, 2014 pre-filed Direct Testimony of Johnson Utilities' witness Daniel Hodges.

1 On April 10, 2014, the Town filed a Response opposing Swing First's Motion to Suspend
2 Procedural Schedule and Continue Hearing. Therein, in regard to the direction to file an executed
3 asset purchase agreement by April 15, 2014, the Town states: "[u]nfortunately, the complexity of the
4 undertaking, the requirements of the Open Meeting Law, as well as the fact that voter authorization
5 for the proposed acquisition will not be obtained, if at all, until the May 20, 2014 election results are
6 known, makes this unlikely."

7 Also on April 10, 2014, the Town filed a response to Commissioner Bitter Smith's March 24,
8 2014 letter.

9 On April 21, 2014, RUCO filed a Motion to Compel, requesting that the Company be ordered
10 to respond to specific data requests.

11 On April 22, 2014, RUCO filed a Notice of Errata indicating that it is not requesting a
12 modification of the procedural schedule.

13 On April 22, 2014, Swing First filed a Response in Support of RUCO's Motion to Compel.
14 Therein, Swing First renewed its request to indefinitely suspend the procedural schedule.

15 A procedural conference should be held to allow discussion of RUCO's Motion to Compel
16 and Swing First's Motion to Suspend Procedural Schedule and Suspend Hearing.

17 IT IS THEREFORE ORDERED that a **procedural conference** in the above-captioned matter
18 shall commence on **April 29, 2014, at 2:30 p.m.**, or as soon thereafter as is practical, in Hearing
19 Room No. 2 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007.

20 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
21 Communications) applies to this proceeding and shall remain in effect until the Commission's
22 Decision in this matter is final and non-appealable.

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1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
3 hearing.

4 DATED this 23rd day of April, 2014.

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8 
TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE
9

10
11 Copies of the foregoing mailed/delivered
this 23rd day of April, 2014 to:

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